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Top Headlines

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ROKG to Invest 97 Trillion Won in High-Tech Industries, Including
Renewable Energy and Robotics,
to Create 3.5 Million New Jobs

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POSCO Chairman Lee Ku-taek to Step Down Tomorrow Voluntarily, With
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Dong-a Ilbo

Most Experts Say ROK Economy to Recover
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International Community Intent on Pursuing "Green New Deal" to
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National Tax Service Locked in Power Struggle

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North Korea's Foreign Ministry: "Normalization of North Korea-U.S.
Relations Must Come before Denuclearization
of the Korean Peninsula"

Domestic Developments

[1](#)1. U.S. Ambassador to the ROK Kathleen Stephens, during a Jan. 12
speech at POSTECH on "Building the U.S.-ROK Alliance in the 21st

Century," said that the ROK is an important nation to the U.S. She also noted in response to a question that when an eventuality occurs on the Korean Peninsula, it will be discussed in the framework of the Six-Party Talks. (Yonhap)

¶2. According to the ROK Foreign Ministry, Hwang Joon-kook, ROK Deputy Chief Delegate to the Six-Party Talks, will visit North Korea tomorrow to discuss Seoul's possible purchase of unused nuclear fuel rods from the DPRK. Hwang's visit marks the first time that ROK officials will enter Pyongyang since Lee Myung-bak's Administration began. Korean media are speculating that the visit might lead to a breakthrough in both strained inter-Korean relations and the stalled Six-Party Talks. (All)

¶3. One paper is reporting that a group of President Lee's policy advisers visited the U.S. last week and asked Obama officials not to hurry to send a high-level special envoy to North Korea. (Chosun)

¶4. According to ROK and U.S. military authorities, the U.S. will replace 24 Apache attack helicopters with a dozen F-16 fighter jets, instead of the A-10 aircraft agreed earlier. The U.S. explained that the F-16's proven combat record provides an enhanced deterrent capability on the Korean Peninsula, but there is concern that the sudden change might cause a security vacuum due to different mission capabilities between Apaches, F-16s and A-10s. (Dong-a, Hankook, Segye, Seoul, all TVs)

International News

¶1. Secretary of State-designate Hillary Clinton, in a Jan. 13 (local time) Senate confirmation hearing, promised to "act with urgency to prevent nuclear proliferation in North Korea and Iran." (JoongAng, Hankyoreh, Segye, KBS)

¶2. North Korea, in a Jan. 13 statement by its Foreign Ministry, claimed that the normalization of North Korea - U.S. relations should come before denuclearization of the Korean Peninsula. (JoongAng, Dong-a, Hankook, Hankyoreh, Segye, Seoul, all TVs)

Media Analysis

North Korea

The ROK media gave wide coverage to ROK Deputy Chief Nuclear Envoy Hwang Joon-kook's visit to North Korea tomorrow to discuss Seoul's possible purchase of unused nuclear fuel rods from the DPRK. The ROK media noted that Hwang's visit will be the first visit to Pyongyang by an ROK official since Lee Myung-bak came into office. There is wide media speculation wondering whether the visit could lead to a breakthrough in strained inter-Korean relations and the stalled Six-Party Talks. In particular, Chosun Ilbo viewed Pyongyang's permission for a senior ROKG official to visit as a two-pronged strategy: One, the DPRK may be sending a message to the incoming Obama Administration that the DPRK is ready to engage actively in negotiations to resolve its nuclear issue. Two, the DPRK may plan to sell its fuel rods to the ROK at a high price.

Most of the ROK media reported on Secretary of State-designate Hillary Clinton's Jan. 13 (local time) Senate confirmation hearing, in which she promised to "act with urgency to prevent proliferation in North Korea and Iran, secure loose nuclear weapons and materials."

Most of the ROK media also gave attention to a Jan. 13 statement by the North Korean Foreign Ministry, which contended that the normalization of U.S. - North Korea relations should come before denuclearization of the Korean Peninsula. Pyongyang's Foreign Ministry was cited as saying: "North Korea would not need its own arsenal once the U.S. nuclear umbrella over the ROK is gone."

Conservative Chosun Ilbo ran an inside report saying that a group of President Lee's policy advisers visited the U.S. last week, asking Obama officials not to hurry to send a high-level special envoy to North Korea.

Gaza

Citing foreign media, most of the ROK media reported that Israeli

troops reached the suburbs of Gaza City - where the Hamas leadership is located - for the first time in the conflict yesterday. The media also noted that Israeli Prime Minister Ehud Olmert warned Hamas of his country's "iron fist." Chosun Ilbo interpreted this as Israel's ultimatum for Hamas to surrender.

Opinions/Editorials

Why Is U.S. Attacking ROK Cars Only?
(JoongAng Ilbo, January 14, 2009, Page 30)

By New York Correspondent Nam Jung-ho

The downfall of the U.S.'s Big Three automakers inevitably stemmed from competition with foreign vehicles, especially Japanese automobiles. These days, however, the ROK is being denounced as the main culprit of the collapse of the Big Three.

When I asked one of my American friends why, he responded, "That is because Americans consider Toyota and Honda automobiles American cars." Over the past two decades, Toyota has made every effort to build its image as a pro-U.S. company. Strategically, it stationed its production facilities across 13 areas in the U.S. and employed thousands of people in each region. Naturally, lawmakers in those areas became friends of the Japanese automakers in Washington. Toyota also assigned 17 lobbyists to Washington for lobbying Congress. Furthermore, it has provided hundreds of dollars to attention-grabbing community activities, such as a literacy program for Hispanic families.

Of course, the ROK-U.S. Free Trade Agreement (FTA), which is awaiting legislative approval, may be part of the reason why U.S. political and business circles are bashing the ROK. However, it is certain that Japanese carmakers' persistent lobbying activities spanning decades played a big role in easing up on bashing Japan. With the ROK-U.S. auto trade imbalance emerging as an obstacle in the ratification of the free trade deal, we need to think about Japan's efforts.

Features

U.S. Replaces Apache Helicopters Not with A-10 Aircrafts But with F-16 Fighter Jets, Leaving a Possible Military Vacuum
(Dong-a Ilbo, January 14, 2009, Page 10)

Reporter Yoon Sang-ho

The U.S. reached a controversial decision to replace 24 Apache attack helicopters with F-16 fighter jets, instead of the previously announced A-10 aircrafts.

Why was deployment of the A-10 aircraft cancelled?

During a press conference held on January 13, the U.S. and ROK military authorities announced that it was inevitable for them to reach the decision, as all A-10s need to be inspected and repaired to resolve maintenance issues found in some A-10 aircrafts.

The U.S. and ROK announced last November that they will deploy 12 A-10 aircrafts in ROK in exchange for pulling out the Apache attack helicopters for deployment in Fort Carson, Colorado.

Col. Lee Keon-wan, director of the Joint Air Operations said, "We made a decision to change the type of replacement aircrafts after the A-10 aircraft maintenance issue was first brought up at the 20th Security Policy Initiative conference held last December."

But many cast doubt on whether the flip-flop over replacement of Apaches was just driven by maintenance requirements alone. Some insist that there may be another reason behind the change in the type of replacement aircraft after they decided to replace Apache attack helicopters with the A-10 aircraft.

Despite USFK's explanations, critics say that the U.S. will deploy more Apache helicopters and the A-10 aircrafts, which are effective in eliminating the enemy camp and the ground target, in Afghanistan,

in line with the incoming Obama Administration' statement that it will dedicate itself to the Afghanistan war.

Rising concern over military vacuum

In a press conference, Col. Mike Chandler, chief of staff at the U.S. 7th Air Force said, "Both the Apache helicopter and F-16 aircraft support the ground armed forces. The F-16's combat-proven record is well known and will provide an enhanced deterrent capability on the Korean Peninsula."

This means that deploying the F-16 fighter jets on the Korean Peninsula will cause no problem in deterring North Korean armored divisions.

But critics believe that the main mission of the F-16 fighter jets lies in long-distance precision strikes, so they cannot replace the A-10 aircrafts committed to short-distance ground attacks.

In particular, the A-10 Thunderbolt II aircraft, nicknamed "tank killer" is known to have anti-tank capabilities as good as those of the Apache. Commander of the 8th U.S. Army, Joseph Fil, commented last November, "The A-10 aircraft is superior in terms of armament loading and duration of flight than the Apache helicopter."

The ROK and the U.S. announced that 12 F-16 fighters will be deployed in the ROK in place of Apache helicopters by September, and they also said that the two nations will review a plan to realign USFK's war-fighting capabilities before making any decision, which raises concerns over a possible military vacuum.

A military source said, "The U.S. is expected to use this situation as an opportunity to earnestly launch the reorganization of USFK that would be centered around air force," adding, "If the military vacuum left by the withdrawal of the Apache squadron is prolonged, the (ROK) military authorities will consider mapping out alternative measures, such as purchasing used Apache helicopters."

North Korea's Double-faced Strategy with "Unused Fuel Rods"?
(Chosun Ilbo, January 14, 2009, Page 6)

By Reporter Lim Min-hyuk

Why did Pyongyang allow the ROKG nuclear official to visit North Korea?

By approving the visit, Pyongyang may want to send a conciliatory gesture toward the incoming U.S. administration or sell its fuel rods to the ROK at a high price.

Seoul: "It is not a bad sign for inter-Korean ties."

Many observers say that North Korea's permission for a January 15 visit by Hwang Joon-kook, Director General of the Foreign Ministry's North Korean Nuclear Affairs Bureau, is "not a bad sign" in terms of inter-Korean ties and U.S.-North Korea relations. Since North Korea expelled the entire 11 ROK officials from the Gaesong Industrial Complex on March 27, 2008, it has completely blocked visits by any ROKG officials.

Pyongyang mindful of both Seoul and Washington?

An ROKG official said on January 13, "Although Hwang is going to visit Pyongyang in his capacity as the ROK's Deputy Chief Nuclear Envoy, not as the ROK's representative to inter-Korean talks, it is meaningful that all six members of the fact-finding team led by Hwang are ROK officials and nuclear experts." The team consists of officials from the Foreign Ministry, the Unification Ministry and the Korea Hydro & Nuclear Power Co., Ltd, and nuclear experts from the Korea Atomic Energy Research Institute.

It is not yet known whether the team will discuss with Pyongyang the

strained inter-Korean ties, in addition to North Korea's nuclear disablement and verification (the pending issues of the Six-Party Talks). However, Kim Yong-hyun, a Dongguk University professor, noted, "The fact itself that North Korea allowed a visit by an ROK high-ranking official in any capacity is a positive sign." A researcher at a state-run institute said that with President-elect Obama's inauguration only a week away, the North is sending the U.S. a "message saying that it is ready to engage actively in nuclear talks, including nuclear disablement."

On the other hand, Chung Sung-hoon, a senior researcher at the Korea Institute for National Unification, said, "North Korea is dealing with the nuclear issue and inter-Korean ties completely separately," adding, "North Korea may have allowed the visit for the 'business' purpose of selling unused fuel rods (to South Korea) at a high price." A government source stated, "North Korea may have accepted the visit in order to use it as an opportunity to urge Seoul to resume its energy aid to the North."

North Korea trading in fuel rods?

The main purpose of the ROKG's fact-finding team is to examine the situation before deciding whether to purchase unused nuclear fuel rods from North Korea. Thus far, eight out of the eleven steps toward nuclear disablement in North Korea have been completed, and the remaining steps are to discharge spent fuel rods, to extract the running gear of the fuel rods, and to ship out unused fuel rods. Among a total of 8,000 spent fuel rods, about 5,500 have been taken out, and at present, 15 spent fuel rods are reportedly being discharged every day. Given that the driving gear of the fuel rods can be easily removed after extraction of spent fuel rods, how to deal with the unused fuel rods will be the last challenge.

The unused fuel rods can be disabled by bending or selling them. The fact-finding team will visit North Korea's nuclear reactor in Yongbyon to review what measures can be put in place. North Korea is believed to have about 14,000 unused fuel rods of the 5 MW and 50 MW reactors.

The ROKG has expressed its interest in purchasing North Korea's unused fuel rods. During the Six-Party Talks held last December, Kim Sook, Special Representative for Korean Peace and Security Affairs, said, "Nuclear experts need to conduct an on-site review of the commercial value of the North's unused fuel rods."

U.S. Ambassador: "The ROK Is an Important Nation to the U.S."
(Yonhap News, January 12, 2009)

By Reporter Lim Sang-hyeon

When an eventuality occurs on the Korean Peninsula, it will be discussed in the Six-Party Talks.

The U.S. Ambassador gives a lecture on "Building the U.S.-ROK Alliance in the 21st Century" at POSTECH.

U.S. Ambassador to the ROK Kathleen Stephens said, "The ROK is an important nation to the U.S., and a new relationship between the U.S. and the ROK needs to be established in the twenty-first century."

U.S. Ambassador Stephens gave a lecture titled the "U.S.-ROK Alliance in the 21st century" in POSCO International Center at the invitation of the POSTECH on January 12. She commented, "President-elect Obama telephoned the leaders of nine nations after the U.S. Presidential election, including ROK President Lee Myung-bak. Mr. Obama called on the ROKG to be committed to serving as a cornerstone for fundamental peace and security in Northeast Asia."

Asked about the rumor that Russia and China may intervene in political situations in North Korea in case of the death of North Korean leader Kim Jong-il, the U.S. Ambassador said only that it would not be appropriate for her to express her view on that rumor because it could become news. She added, "When an eventuality occurs on the Korean Peninsula, it will be discussed in the framework of the Six-Party Talks."

She commented, "The U.S. and ROK have maintained a relationship forged in blood since the Korean War, and now a new relationship needs to be established. Both countries should seek to build a new global partnership to share their experiences and values for co-prosperity in the twenty-first century."

Ambassador Stephens also said, "In 1987-1989 when I served in the U.S. Consulate in Busan, the ROK Presidential election was a matter of international concern. History (now) interprets the direct presidential election at that time as a watershed in the ROK's development," adding, "I think that the ROK and the U.S. pursue the same (values) and that (that) direct election was a true beginning in a new sense."

In addition, she noted, "Since I taught English in Yesan, South Chungcheong Province, for three years from 1975, I have a great deal of affection for the ROK, and I think that my role is to improve friendship, co-prosperity, and cooperation between the ROK and the U.S."

Regarding Pohang University of Science and Technology or POSTECH, she stated, "In the knowledge-based society of the twenty-first century, human resources are very important, and as shown in POSCO or POSTECH, which have grown into the world's leading company and university without any particular resources, the driving force behind the ROK's growth is human talent. I personally hope that there will be even more personal exchanges between the two countries."

Ambassador Stephens said, "The reason why Asian engineering students go through complicated procedures to get (U.S.) visas is due to the September 11 terrorist attacks. The USG also understands that this is counterproductive, and we are working to improve this matter in various ways."

On the afternoon of January 11, Ambassador Stephens arrived in Pohang and visited Pohang City Hall, and on the morning of January 12, she visited the U.S. Marine installation at Camp Mujuk to give soldiers a pep talk before heading to POSCO and POSTECH.

(Ed. note: According to the transcript, the Ambassador actually said: "Each visa case is taken on its own merit so it is very difficult for me to generalize... In the aftermath of, to be very frank, of September 11, 2001, we were faced with what seems to be a new situation and a number of initiatives were introduced in terms of visa processes. In my own personal view, it turned out to be counterproductive and actually it is not my own personal view. I think there is wide-spread understanding that some of the approaches we've tried turned out to be counterproductive. We need to continue to work on it.")

Stephens